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Actualities of Hungarian pharmaceutical financing market

Newsletter

HEALTHWARE CONSULTING LTD.

News, current issues

- **Legislations** come into force between 01/08/2015 and 01/09/2015**:** Act LXXXIII of 1997 (01.08.2015); Act CLIV of 1997 (01.08.2015); Act II of 2000 (01.08.2015); ESzCsM Decree No.32/2004. (18.08.2015,01.09.2015); EüM Decree No.31/2010. (18.08.2015)
- **NEWS** [HUN]: *"Cariprazine has got green light from FDA"* link
- **NEWS** [HUN]**:** *"The new numbers arrived - debt avalanche started again"* link
- **NEWS** [HUN]**:** *"Special budget for expensive therapies: who is entitled to exceptional treatment?"* link
- **NEWS:** *"Google Life Sciences Makes Diabetes Its First Big Target"* link
- **NEWS:** *"Mayo Clinic researchers find new code that makes reprogramming of cancer cells possible"* link
- **STUDY:** *"Universal health insurance coverage for 1.3 billion people: What accounts for China's success?"* link
- **STUDY:** *"Prevalence of and Trends in Diabetes Among Adults in the United States, 1988-2012"* link

Macro approach to financing healthcare and medicinal products

Balance of the Health Insurance Fund

Billion HUF

Health Security Fund	2014. I-XII.	2015 original appropriation	2015		
			I-VII. months	% of appropriation	% of last year
Total of Budgetary Expenditures	**1 907,1**	**1 910,8**	**1 123,3**	**100,8%**	**101,9%**
Curative preventive provisions	945,6	948,6	549,6	99,3%	100,4%
Medicine subsidies	302,3	298,1	186,4	107,2%	106,9%
Medicine subsidies (pharmacy)	286,4	224,4	179,6	137,2%	108,4%
Total of Budgetary Revenues	**1 907,1**	**1 910,8**	**1 130,1**	**101,4%**	**99,9%**
Social Security Contributions	896,3	1 198,5	716,2	102,4%	135,4%
Contribution of Pharmaceutical Manufacturers and Wholesalers	57,4	58,0	38,0	112,3%	111,6%
Balance	**0,0**	**0,0**	**6,8**		**0,0%**

The 2015 budget counts with 0,2% increase in the expenditure and in the revenues too, while the balance is nil. The central budget contribution is planned to be less with 35,1% than last year fulfilment, and this gap is filled with the 33,7% higher social security contribution (302 billion HUFs). The medicine subsidies plan are lower with 4,2 billion HUFs than last year expenses.
In the first seven months of 2015 the Health Security Fund produced a 0,61% surplus. Medicine subsidies shows 7,2% surplus as a result of the medicines' higher turnover particularly that reimbursement based on special permission.

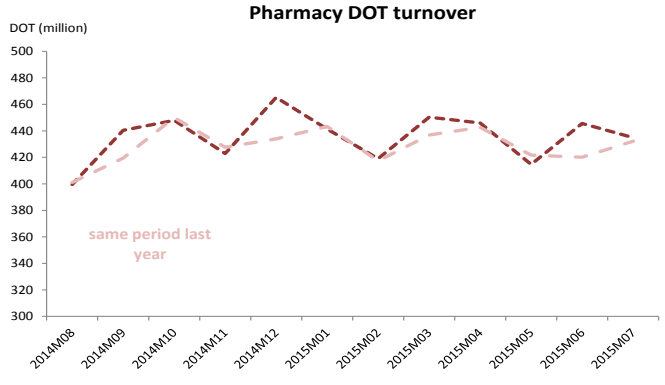
Changes to subsidised medicinal product categories

Changes in the public drug list	2015 Apr.	2015 May	2015 June	2015 July	2015 Aug.	2015 Sep.	2015
Number of new products	57	11	16	12	34	22	215
Number of new AI	2	1	2	2	4	3	24
Number of delisted products	44	51	30	16	16	8	237
Prices							
Decrease	166	3	0	42	5	2	250
Increase	3	0	0	5	0	0	11

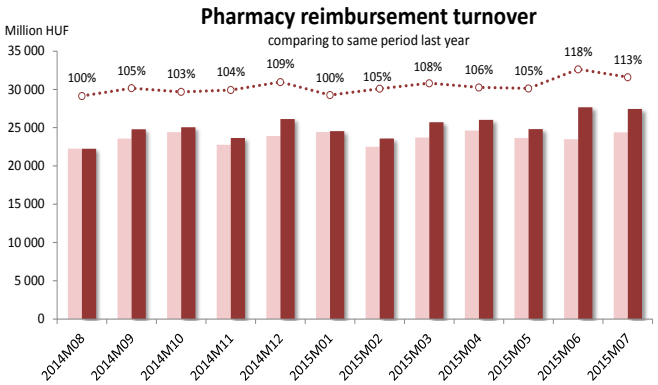
Changes in the public drug list	2015 Apr.	2015 May	2015 June	2015 July	2015 Aug.	2015 Sep.	2015
Reimbursement							
Decrease	393	1	0	71	4	1	524
Increase	69	0	0	6	0	0	89
Co-payment							
Decrease	255	5	0	47	7	2	373
Increase	280	0	0	34	0	1	340

Source: Healthware analysis based on OEP-PUPHA data

Dynamics of the sales/circulation of prescription-only-medicine



Source: Healthware analysis based on OEP's data



Source: Healthware analysis based on OEP's data

While the turnover of reimbursed medicines in pharmacies increased by 2,74% in 2014 (measured in DOT), the total medicine subsidy of Health Security Fund was higher by 2,21%. The subsidy of new INNs (got reimbursed status in 2014) was 1,26% of the yearly total, while its turnover was only 0,03% of the yearly DOT turnover.
Drug sales in the first seven months of 2015 was 0,90% higher than the same period last year, while the average reimbursement per DOT increased with 1,59% compared to the previous month and was higher with 13,44% than the last year's average. The reimbursement turnover is 5,66% higher for this period compared to last year.

Indicator system development

Quality indicators are needed for evaluate a therapy at macro level. The individual micro-level knowledge enables to seek/ elaborate parameters which allow to build up an indicator system. With the comprehensive knowledge acquired along our micro-level analysis products we can ensure elaboration of systems, which show the success of certain medical technologies in transparent way, with objective parameters.

Downloadable document: The domestic experiences of the „Changing Diabetes Baromèter" program IME, 2011

More about the service: link

Product offering

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Market data

Marketing authorisation information

2014	EMA	OGYI
New brands	70	182
New SKUs	359	1 879

2015 - Q2	EMA	OGYI
New brands	17	45
New SKUs	460	518

July 2015	EMA	OGYI
New brands	7	23
New SKUs	71	190

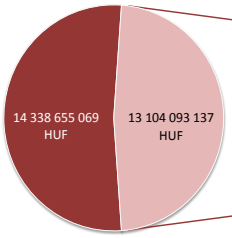
Source: Healthware analysis based on OGYI's and EMA's data

Average number of medical sales reps; 07/2015

All	1 667
Medicinal products	1 400
Medical aids	246
Both	21

Source: Healthware analysis based on OGYI's

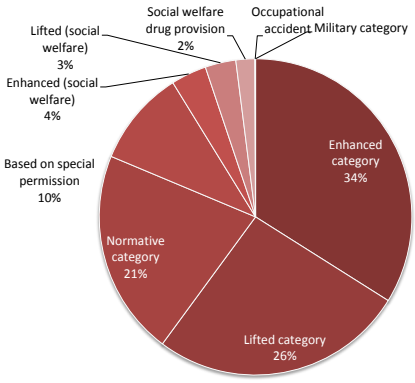
TOP10 DISTRIBUTOR by all reimbursement paid in July 2015



TOP 10 - DISTRIBUTOR	Reimbursement
Novartis Hungária Kft.	2 487 714 246 HUF
SANOFI-AVENTIS Zrt.	1 656 974 531 HUF
AbbVie Kft.	1 318 402 099 HUF
EGIS Gyógyszergyár Zrt.	1 304 456 280 HUF
Richter Gedeon Vegyészeti Gyár NyRt.	1 233 727 031 HUF
TEVA Gyógyszergyár Zrt.	1 194 544 356 HUF
Pfizer Kft.	1 099 632 036 HUF
Novo Nordisk Hungária Kft.	974 939 469 HUF
Lilly Hungaria Kft.	972 079 380 HUF
Janssen-Cilag Gyógyszerkereskedelmi Marketing Szolgáltató Kft.	861 623 710 HUF

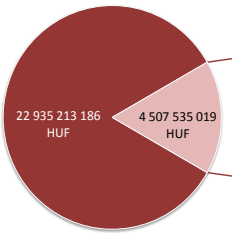
Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

Drug reimbursement by legal title; 07/2015



Source: Healthware analysis based on the sales

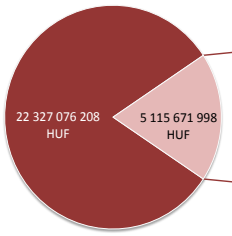
TOP10 BRAND by all reimbursement paid in July 2015



TOP 10 - BRAND	Distributor	Reimbursement
VIEKIRAX	AbbVie Kft.	1 086 635 136 HUF
GLIVEC	Novartis Hungária Kft.	570 584 218 HUF
CLEXANE	SANOFI-AVENTIS Zrt.	548 749 101 HUF
XEPLION	Janssen-Cilag Gyógyszerkereskedelmi Marketing S	435 605 719 HUF
SPIRIVA	Boehringer Ingelheim Pharma Gesellschaft m. b. H	394 401 323 HUF
LANTUS	SANOFI-AVENTIS Zrt.	353 458 388 HUF
HUMULIN	Lilly Hungaria Kft.	304 256 691 HUF
SUTENT	Pfizer Kft.	290 958 180 HUF
TASIGNA	Novartis Hungária Kft.	266 807 068 HUF
LEVEMIR	Novo Nordisk Hungária Kft.	256 079 196 HUF

Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

TOP10 ATC by all reimbursement paid in July 2015



TOP 10 - ATC	International non-proprietary name (INN)	Reimbursement
J05AX67	ombitasvir, paritaprevir and ritonavir	1 086 635 136 HUF
L01XE01	imatinib	570 584 218 HUF
V06D	other nutrients	564 431 557 HUF
B01AB05	enoxaparin	548 749 101 HUF
N05AX13	paliperidone	510 806 851 HUF
C10AA07	rosuvastatin	409 971 755 HUF
R03BB04	tiotropium bromide	394 401 323 HUF
A10AB01	insulin (human)	359 416 436 HUF
A10AE04	insulin glargine	353 458 388 HUF
C09BA04	perindopril and diuretics	317 217 234 HUF

Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

TOP10 ATC by number of patients in July 2015

TOP 10 - ATC	International non-proprietary name (INN)	Patients
B01AC06	acetilszalicilsav	355 960
C09BA04	perindopril és vizelethajtók	290 441
C08CA01	amlodipin	268 579
C07AB12	nebivolol	245 198
C10AA05	atorvastatin	236 447
C10AA07	rosuvastatin	216 790
A02BC02	pantoprazol	204 324
M04AA01	allopurinol	203 050
C09AA04	perindopril	176 880
C07AB07	bisoprolol	166 055

Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

Medalyse's response to BI trends — Case study

Business intelligence is an umbrella term by definition. It combines architectures, tools, databases, analytical tools, applications and methodologies. BI's objective is to transform data into information and enable the decision makers to get valuable insights. Generally it has four major components the data warehouse which provides the source data, business analytics to manipulate the data, business performance management to monitor the performance and last but not least the user interface. [1]
In classical approach the source data is extracted, transformed and loaded into data warehouses and data marts by technical staff. The aggregated and cleaned data is than analyzed by the business analysts using static dashboards, reports and scorecards.

These boundaries are constantly challenged by today's needs. By 2017 there will be more than 1 trillion connected objects and devices on the planet generating data and there are already 2.5 billion gigabytes of data generated every day of which 80% is unstructured. [2] The current trends show significant shift at the following areas [3]:

- **Analytics emerge across organization**
  Today's data analysts can be managers, salespersons or executives. They need easier to use browser based analytical tools.
- **Everything integrates**
  Rapid integration leveraging simple interfaces is going to become the standard.
- **Conversations with data replace static dashboards**
  Data is interactive enough that it can become the backbone of a conversation. As a result of these organizations will get more insight from their data.
- **Smart analytics start to emerge**
  As self-service analytics becomes more mainstream, tasks such as forecasting and prediction, will become more common– and a lot less painful (without the need for extensive expert consultation or scripting).

The demand for native access to multi structured and streaming data combined with interactive visualization and exploration capabilities are also becoming increasingly important platform features [4] To be able to answer the new challenges, we at Healthware are committed to follow these trends and improve our analytical framework, Medalyse. Below some of our recent developments in the previously mentioned areas:

- **Enhanced interactivity**
  Additional graphical and interface elements like country maps and right side aggregation panel to help broader interaction and visualization of data. Ability to interact with data, modify it from the interface and get real time feedback of the effects.
- **Analytic integration**
  Connecting to and interacting with external tools to enhance analytical capabilities. One of these tools is R, which is a software environment for statistical computing and graphics.
- **Data integration services**
  Enhanced internal data integration process. Our system is able to handle GBs of data in various formats, being structured or unstructured. With help of standard interfaces it's able to collect and process any standard input formats.

[1] E. Turban, R. Sharda, D. Delen, D. King és J. E. Aronson, Business Intelligence: A Managerial Approach, Prentice Hall, 2011.
[2] IBM, „Strategic Imperatives - Data," 2014. [Online]
[3] Tableau Software, „Top 10 Trends in Business Intelligence for 2015," 17 11 2014. [Online]
[4] Gartner, „Magic Quadrant for Business Intelligence and Analytics Platforms," 23 02 2015. [Online]

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